

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-239-C - ORDER NO. 91-694 ✓
AUGUST 8, 1991

IN RE:	Application of U.S. Osiris)	ORDER GRANTING
	Corporation for a Certificate)	CERTIFICATE OF
	of Public Convenience and)	PUBLIC CONVENIENCE
	Necessity.)	AND NECESSITY

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application filed by U.S. Osiris Corporation (the Company or USO) requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate operator assisted resold telecommunications service in South Carolina. The Company is a non-facility based company which will provide its product by reselling capacity from underlying facilities based carriers. USO seeks to provide 24-hour intrastate long distance telephone services, which includes completing calling/credit card calls, collect calls, third number billing calls and person-to-person calls, on either live or automated operator-assisted long distance telephone service. The services are designed primarily to originate at locations where callers require operator assistance or alternative billing arrangements, such as hotels/motel, hospitals, and educational institutions.

On May 17, 1991, the Commission's Executive Director

instructed the Company to cause to be published a prepared Notice of Filing one time in newspapers of general circulation in affected areas. The Notice of Filing indicated the nature of USO's Application and advised all interested parties desiring to participate in the scheduled proceeding of the manner and time in which to file the appropriate pleadings. USO furnished affidavits demonstrating that the Notice of Filing had been duly published in accordance with the instructions of the Executive Director.

A public hearing relative to the matters asserted in USO's Application was held on July 30, 1991, at 11:00 a.m. in the Hearing Room of the Commission at 111 Doctor's Circle, Columbia, South Carolina, before the Commission with the Honorable Marjorie Amos-Frazier presiding. The Applicant appeared and was represented by Frank R. Ellerbe, III, Esquire; Carl F. McIntosh, Esquire, represented the Intervenor, South Carolina Department of Consumer Affairs; Caroline Watson, Esquire, represented the Intervenor, Southern Bell Telephone and Telegraph Company; and F. David Butler, Esquire, represented the Commission Staff. Testimony was presented by George Lebus for U.S. Osiris Corporation. No other witnesses were called.

Based on the information contained in USO's Application, as well as the evidence of the whole record before the Commission, and a stipulation made between USO and Southern Bell with regard to the handling of intraLATA calls attempted over USO's network and USO's handling of the monies generated by accidental completion of intraLATA calls, the Commission makes the following findings of

fact and conclusions of law:

1. USO is a reseller of interstate interexchange telecommunications services.

2. USO is incorporated under the laws of the State of Texas, but has received a Certificate from the Secretary of State to do business in South Carolina.

3. USO has the financial resources to provide adequate telecommunications services to consumers in South Carolina.

4. Consistent with our intent to encourage greater competition in the interexchange market place as previously stated (See, Order No. 89-1015, issued October 23, 1989, in Docket No. 88-693-C), the approval of this Application will serve the public interest in that it will enhance competition.

5. The Company herein shows itself to be fit, willing, and able to provide such resale telecommunications services and that therefore it should be granted a Certificate of Public Convenience and Necessity to provide intrastate operator-assisted resold telecommunications services.

6. The Company shall block or switch to the LEC all intraLATA calls which are attempted over its network. If the Company incidentally or accidentally completes any intraLATA calls, the LEC should be compensated as ordered by the Commission in Order No. 86-793, issued August 5, 1986, in Docket No. 86-187-C.

7. A rate structure incorporating a maximum rate level with the flexibility for downward adjustment has been previously adopted by this Commission. IN RE: Application of GTE Sprint

Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C, on August 2, 1984. The Commission herein finds that the appropriate rate structure for USO should include a maximum rate level for each tariff charge; and that for intrastate interLATA operator-assisted and calling card calls, USO should be required to charge operator or calling card surcharges no higher than the intrastate charges then currently approved for AT&T Communications, and that for the usage portion of either type call, USO should be required to charge intrastate rates no higher than the intrastate rates charged by AT&T Communications at the time such call is completed.

8. While the Commission is conscious of the need for resellers to adjust rates and charges timely to reflect the forces of economic competition, rate and tariff adjustments below the maximum levels should not be accomplished without notice to the Commission and to the public. The Company shall incorporate provisions for filing rate changes and publication of notice of such changes two weeks prior to the effective date of such changes, and affidavits of publication must be filed with the Commission. Any proposed increase in the maximum rate level reflected in the tariffs of the Company, which should be applicable to the general body of subscribers, would constitute a general ratemaking proceeding which would be treated in accordance with the notice and hearing provisions of the S.C. Code Ann. §58-9-540 (Cum. Supp. 1990).

9. An end user should be able to access another

interexchange carrier or operator service provider if they so desire.

10. That USO should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and customer-owned pay telephones only if said property owners have not added said surcharge already. That is, the Company may not add an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been added by the property owners. If such charge is applied however, it should be paid in its entirety to the customer by USO.

11. That USO should be required to provide "tent" cards to hotels and motels for placement next to guest telephones identifying it as a provider of operator service for intrastate interLATA distance calls; and that USO operators should be required to brand all calls identifying USO as the carrier for such call.

12. That USO should be required to furnish pay telephone owners with a sticker or information piece to be affixed to the telephone instrument by which its services may be accessed identifying the operator service as being provided by USO and indicating the rates charged for its service or the method for obtaining rate information.

13. The Company may only use such underlying carriers for the provision of intrastate telecommunications service as are certified by this Commission to provide such service and the Company will notify the Commission in writing as to its underlying carrier or

carriers and of any change in its carrier.

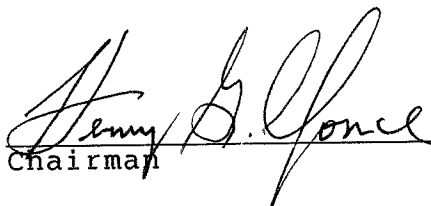
14. That USO should be authorized to provide intrastate interLATA service through the resale of Wide Area Telecommunications Service (WATS), Message Telecommunication Service (MTS), Foreign Exchange Service (FX) and Private Line Service, or any other service authorized for resale and reflected as such in tariffs of facilities-based carriers certificated by this Commission.

15. The Company is subject to any applicable access charges pursuant to Commission Order No. 86-584 in which the Commission determined that the reseller should be treated similarly to facility based carriers for access charge purposes.

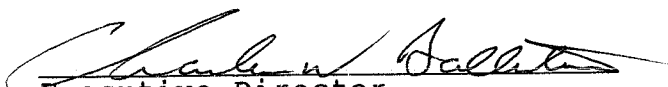
16. The Company is required to file on a yearly basis surveillance reports with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports should be Attachment A, attached hereto and incorporated by reference herein.

17. That USO should file tariffs in accordance with the findings herein within thirty (30) days of the date of this Order.

BY ORDER OF THE COMMISSION:


VICE Chairman

ATTEST:


Executive Director
(SEAL)

DOCKET NO. 91-239-C - ORDER NO. 91-694
AUGUST 8, 1991
ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.

* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).